



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 30, 2017

GOV. MSG. NO. 1166

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 30, 2017, the following bill was signed into law:

HB186 HD1 SD2 CD1

RELATING TO COFFEE BERRY BORER BEETLE
ACT 065 (17)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO COFFEE BERRY BORER BEETLE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Coffee is one of the largest agricultural crops
2 in the State and is a highly valued commodity in Hawaii's
3 economy. In recent years, the coffee berry borer, a small
4 beetle, has infested coffee crops in the Kona and Kau regions of
5 Hawaii island and, more recently, has been detected on Oahu and
6 Maui. This infestation threatens the viability of Hawaii's
7 entire coffee industry. Ongoing efforts to control the coffee
8 berry borer are critical, and the State must continue to support
9 these efforts.

10 Application of the organic biological pesticide containing
11 the fungus *Beauveria bassiana* is known to cause high rates of
12 mortality in the coffee berry borer and is a primary method of
13 pest control for the coffee berry borer in other coffee-growing
14 regions of the world. Research shows that subsidizing the cost
15 of pesticides is an effective and necessary incentive to
16 encourage farmers to adopt recommended pest management
17 strategies.



1 Act 105, Session Laws of Hawaii 2014, appropriated funds
2 for the development and implementation of a pesticide subsidy
3 program to assist coffee growers with offsetting the cost of
4 purchasing pesticides containing *Beauveria bassiana*. However,
5 it took longer than anticipated for Act 105 to be implemented,
6 and this assistance only became available from the State at the
7 end of 2016, more than two years later.

8 The purpose of this Act is to extend the sunset date of the
9 pesticide subsidy program for two years so that the program can
10 remain in effect for the number of years that was intended when
11 Act 105 was passed.

12 SECTION 2. Act 105, Session Laws of Hawaii 2014, as
13 amended by Act 152, Session Laws of Hawaii 2015, is amended as
14 follows:

15 1. By amending section 3 to read:

16 "SECTION 3. (a) There is established in the department of
17 agriculture a pesticide subsidy program to be administered by
18 the department [~~for five years~~] beginning on July 1, 2014, and
19 ending on June 30, [~~2019-~~] 2021. The department shall grant
20 subsidies to coffee growers to assist them in offsetting the



1 costs of purchasing any pesticide that is listed by the
2 department pursuant to subsection (f).

3 (b) Applications for subsidies by coffee growers shall be
4 submitted on a form furnished by the department and shall be
5 filed with accompanying documentation of the costs of purchasing
6 the pesticide; provided that:

7 (1) The applicant shall indemnify and hold harmless the
8 State and its officers, agents, and employees from all
9 claims arising out of or resulting from the pesticide
10 purchased; and

11 (2) The department may request an applicant to provide
12 necessary information for the purposes of verifying
13 the size or sale weight, as applicable, and amount of
14 the pesticide purchased.

15 (c) Documentation of pesticide costs, as requested by the
16 department, shall be filed for pesticides purchased within the
17 immediate preceding fiscal year of filing and shall be effective
18 for pesticide costs incurred after June 30, 2014, and before
19 July 1, ~~[2019.]~~ 2021.

20 (d) Funds shall be disbursed ~~[from the pesticide use~~
21 ~~revolving fund established under section 149A-13.5, Hawaii~~



1 ~~Revised Statutes,~~] upon approval on an annual basis by the
2 department to the coffee grower for up to seventy-five per cent
3 of the costs incurred for the purchase of the pesticide before
4 July 1, 2016, and for up to fifty per cent of the costs incurred
5 after June 30, 2016, and before July 1, ~~[2019-]~~ 2021.

6 (e) The department shall aggregate the total subsidy
7 applications pursuant to this section and divide and distribute
8 the available subsidy funds on a pro rata basis; provided that
9 no single coffee grower shall receive subsidies that are more
10 than \$600 per year per acre of land in coffee production;
11 provided further that no single coffee grower shall receive
12 subsidies that are more than \$9,000 per year~~[-]~~; provided
13 further that no single coffee grower shall receive subsidies
14 that total more than \$6,000 per year for the period after
15 June 30, 2018, and before July 1, 2021.

16 (f) The department shall establish a list of pesticides
17 that are registered with the Environmental Protection Agency and
18 are licensed with the State that contain *Beauveria bassiana*, a
19 fungus known to eradicate the coffee berry borer, as an active
20 ingredient.



1 (g) There is established within the department a pesticide
2 subsidy program manager position, which shall be a full-time,
3 temporary position exempt from chapters 76 and 89, Hawaii
4 Revised Statutes. The pesticide subsidy program manager shall
5 possess a requisite level of knowledge and expertise in the area
6 of program management necessary to carry out the duties of the
7 position. The pesticide subsidy program manager shall:

8 (1) Facilitate the efficient division and distribution of
9 available subsidy funds; and

10 (2) Manage the day-to-day coordination for the pesticide
11 subsidy program.

12 The pesticide subsidy program manager shall receive a salary of
13 not more than \$50,000 per year.

14 (h) Not later than twenty days prior to the convening of
15 the regular session of [~~2019~~] 2021, the department shall submit
16 a report of its findings and recommendations, including any
17 proposed legislation, to the legislature on the results of the
18 subsidy program and whether the program should be allowed to
19 expire or be extended, and if extended, with or without
20 modification.



1 (i) Actions taken by the department pursuant to this
2 section shall be exempt from the rulemaking requirements of
3 section 91-3, Hawaii Revised Statutes."

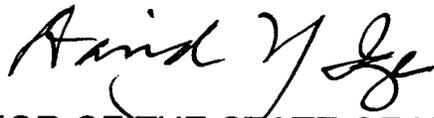
4 2. By amending section 6 to read:

5 "SECTION 6. This Act shall take effect on July 1, 2014;
6 provided that section 3 shall be repealed on June 30, [2019,]
7 2021; provided further that the amendment made to section 149A-
8 13.5(b), Hawaii Revised Statutes, under section 2 of this Act
9 shall not be repealed when section 149A-13.5(b), Hawaii Revised
10 Statutes, is repealed and reenacted on June 30, 2015, by section
11 4 of Act 168, Session Laws of Hawaii 2010."

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2017.

APPROVED this 30 day of JUN, 2017



GOVERNOR OF THE STATE OF HAWAII



HB No. 186, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.


President of the Senate


Clerk of the Senate